

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 38

House Engrossed
FILED
KEN BENNETT
SECRETARY OF STATE

HOUSE BILL 2120

AN ACT

AMENDING SECTIONS 42-1001 AND 43-105, ARIZONA REVISED STATUTES; RELATING TO
TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-1001, Arizona Revised Statutes, is amended to
3 read:

4 42-1001. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Board" or "state board" means either the state board of tax
7 appeals or the state board of equalization, as applicable.

8 2. "Court" means the tax court or superior court, whichever is
9 applicable.

10 3. "Department" means the department of revenue.

11 4. "Director" means the director of the department.

12 5. "Internal revenue code" means the United States internal revenue
13 code of 1986, as amended and in effect as of January 1, 2011 2012, including
14 those provisions that became effective during 2010 2011 with the specific
15 adoption of their retroactive effective dates but excluding all changes to
16 the code enacted after January 1, 2011 2012.

17 Sec. 2. Section 43-105, Arizona Revised Statutes, is amended to read:

18 43-105. Internal revenue code; definition; application

19 A. FOR THE PURPOSES OF COMPUTING INCOME TAX PURSUANT TO THIS TITLE,
20 FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2011, "INTERNAL
21 REVENUE CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS
22 AMENDED, IN EFFECT ON JANUARY 1, 2012, INCLUDING THOSE PROVISIONS THAT BECAME
23 EFFECTIVE DURING 2011 WITH THE SPECIFIC ADOPTION OF ALL FEDERAL RETROACTIVE
24 EFFECTIVE DATES, BUT EXCLUDING ANY CHANGE TO THE CODE ENACTED AFTER JANUARY
25 1, 2012.

26 ~~A.~~ B. For the purposes of computing income tax pursuant to this
27 title, for taxable years beginning from and after December 31, 2010 THROUGH
28 DECEMBER 31, 2011, "internal revenue code" means the United States internal
29 revenue code of 1986, as amended, in effect on January 1, 2011, including
30 those provisions that became effective during 2010 with the specific adoption
31 of all federal retroactive effective dates, ~~but excluding any change to the~~
32 ~~code enacted after January 1, 2011~~ AND INCLUDING THOSE PROVISIONS OF PUBLIC
33 LAW 112-40 THAT ARE RETROACTIVELY EFFECTIVE DURING TAXABLE YEARS BEGINNING
34 FROM AND AFTER DECEMBER 31, 2010 THROUGH DECEMBER 31, 2011.

35 ~~B.~~ C. For the purposes of computing income tax pursuant to this
36 title, for taxable years beginning from and after December 31, 2009 through
37 December 31, 2010, "internal revenue code" means the United States internal
38 revenue code of 1986, as amended, in effect on January 1, 2010, including
39 those provisions that became effective during 2009 with the specific adoption
40 of all federal retroactive effective dates, and including those provisions of
41 the temporary extension act of 2010 (P.L. 111-144), the hiring incentives to
42 restore employment act (P.L. 111-147), the patient protection and affordable
43 care act (P.L. 111-148), the health care and education reconciliation act of
44 2010 (P.L. 111-152), the preservation of access to care for medicare
45 beneficiaries and pension relief act of 2010 (P.L. 111-192), the Dodd-Frank

1 wall street reform and consumer protection act (P.L. 111-203), the small
2 business jobs act of 2010 (P.L. 111-240), the claims resolution act of 2010
3 (P.L. 111-291), the tax relief, unemployment insurance reauthorization, and
4 job creation act of 2010 (P.L. 111-312) and the regulated investment company
5 modernization act of 2010 (P.L. 111-325) that are retroactively effective
6 during taxable years beginning from and after December 31, 2009 through
7 December 31, 2010.

8 ~~E.~~ D. For purposes of computing income tax pursuant to this title,
9 for taxable years beginning from and after December 31, 2008 through December
10 31, 2009, "internal revenue code" means the United States internal revenue
11 code of 1986, as amended, in effect on January 1, 2009, including those
12 provisions that became effective during 2008 with the specific adoption of
13 all federal retroactive effective dates, and including those provisions of
14 the American recovery and reinvestment act of 2009 (P.L. 111-5) except
15 section 1211, the consumer assistance to recycle and save act of 2009
16 (P.L. 111-32), the worker, homeownership, and business assistance act of 2009
17 (P.L. 111-92) except section 13, the hiring incentives to restore employment
18 act (P.L. 111-147), the patient protection and affordable care act (P.L. 111-
19 148), the preservation of access to care for medicare beneficiaries and
20 pension relief act of 2010 (P.L. 111-192), the small business jobs act of
21 2010 (P.L. 111-240) and the tax relief, unemployment insurance
22 reauthorization, and job creation act of 2010 (P.L. 111-312), that are
23 retroactively effective during taxable years beginning from and after
24 December 31, 2008 through December 31, 2009.

25 ~~D.~~ E. For purposes of computing income tax pursuant to this title,
26 for taxable years beginning from and after December 31, 2007 through December
27 31, 2008, "internal revenue code" means the United States internal revenue
28 code of 1986, as amended, in effect on January 1, 2008, including those
29 provisions that became effective during 2007 with the specific adoption of
30 all federal retroactive effective dates and including those provisions of the
31 economic stimulus act of 2008 (P.L. 110-185), the heroes earnings assistance
32 and relief tax act of 2008 (P.L. 110-245), the heartland, habitat, harvest
33 and horticulture act of 2008 (P.L. 110-246), the housing assistance tax act
34 of 2008 (P.L. 110-289), the emergency economic stabilization act of 2008
35 (P.L. 110-343), the worker, retiree, and employer recovery act of 2008
36 (P.L. 110-458), the American recovery and reinvestment act of 2009
37 (P.L. 111-5) except section 1211 and the worker, homeownership, and business
38 assistance act of 2009 (P.L. 111-92) except section 13 that are retroactively
39 effective during taxable years beginning from and after December 31, 2007
40 through December 31, 2008.

41 ~~E.~~ F. For purposes of computing income tax pursuant to this title,
42 for taxable years beginning from and after December 31, 2006 through December
43 31, 2007, "internal revenue code" means the United States internal revenue
44 code of 1986, as amended, in effect on January 1, 2007, including those
45 provisions that became effective during 2006 with the specific adoption of

1 all federal retroactive effective dates and including those provisions of the
2 small business and work opportunity tax act of 2007 (P.L. 110-28), the energy
3 independence and security act of 2007 (P.L. 110-140), Public Law 110-141, the
4 mortgage forgiveness debt relief act of 2007 (P.L. 110-142), the tax
5 technical corrections act of 2007 (P.L. 110-172), the economic stimulus act
6 of 2008 (P.L. 110-185), the heroes earnings assistance and relief tax act of
7 2008 (P.L. 110-245), the heartland, habitat, harvest and horticulture act of
8 2008 (P.L. 110-246), the housing assistance tax act of 2008 (P.L. 110-289),
9 the emergency economic stabilization act of 2008 (P.L. 110-343) and the
10 worker, retiree, and employer recovery act of 2008 (P.L. 110-458) that are
11 retroactively effective during taxable years beginning from and after
12 December 31, 2006 through December 31, 2007.

13 ~~F.~~ G. For purposes of computing income tax pursuant to this title,
14 for taxable years beginning from and after December 31, 2005 through December
15 31, 2006, "internal revenue code" means the United States internal revenue
16 code of 1986, as amended, in effect on January 1, 2006, including those
17 provisions that became effective during 2005 with the specific adoption of
18 all federal retroactive effective dates and including those provisions of the
19 tax increase prevention and reconciliation act of 2005 (P.L. 109-222), the
20 pension protection act of 2006 (P.L. 109-280), the tax relief and health care
21 act of 2006 (P.L. 109-432), the small business and work opportunity tax act
22 of 2007 (P.L. 110-28), the mortgage forgiveness debt relief act of 2007
23 (P.L. 110-142), the tax technical corrections act of 2007 (P.L. 110-172), the
24 heartland, habitat, harvest and horticulture act of 2008 (P.L. 110-246) and
25 the housing assistance tax act of 2008 (P.L. 110-289) that are retroactively
26 effective during taxable years beginning from and after December 31, 2005
27 through December 31, 2006.

28 ~~G.~~ H. For purposes of computing income tax pursuant to this title,
29 for taxable years beginning from and after December 31, 2004 through December
30 31, 2005, "internal revenue code" means the United States internal revenue
31 code of 1986, as amended, in effect on January 1, 2005, including those
32 provisions that became effective during 2004 with the specific adoption of
33 all federal retroactive effective dates and including those provisions of the
34 Katrina emergency tax relief act of 2005 (P.L. 109-73), the energy tax
35 incentives act of 2005 (title XIII of the energy policy act of 2005
36 (P.L. 109-58)), the gulf opportunity zone act of 2005 (P.L. 109-135), the tax
37 technical corrections act of 2007 (P.L. 110-172), the heartland, habitat,
38 harvest and horticulture act of 2008 (P.L. 110-246) and the housing
39 assistance tax act of 2008 (P.L. 110-289) that are retroactively effective
40 during taxable years beginning from and after December 31, 2004 through
41 December 31, 2005.

42 ~~H.~~ I. For purposes of computing income tax pursuant to this title,
43 for taxable years beginning from and after December 31, 2003 through December
44 31, 2004, "internal revenue code" means the United States internal revenue
45 code of 1986, as amended, in effect on January 1, 2004, including those

provisions that became effective during 2003 with the specific adoption of all federal retroactive effective dates and including those provisions of the working families tax relief act of 2004 (P.L. 108-311), the American jobs creation act of 2004 (P.L. 108-357), the Katrina emergency tax relief act of 2005 (P.L. 109-73), the energy tax incentives act of 2005 (title XIII of the energy policy act of 2005 (P.L. 109-58)), the gulf opportunity zone act of 2005 (P.L. 109-135), the tax technical corrections act of 2007 (P.L. 110-172) and the heartland, habitat, harvest and horticulture act of 2008 (P.L. 110-246) that are retroactively effective during taxable years beginning from and after December 31, 2003 through December 31, 2004.

~~I.~~ J. For purposes of computing income tax pursuant to this title, for taxable years beginning from and after December 31, 2002 through December 31, 2003, "internal revenue code" means the United States internal revenue code of 1986, as amended, in effect on January 1, 2003, including those provisions that became effective during 2002 with the specific adoption of all federal retroactive effective dates and including those provisions of the working families tax relief act of 2004 (P.L. 108-311), the American jobs creation act of 2004 (P.L. 108-357), the jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27), the military family tax relief act of 2003 (P.L. 108-121), the medicare prescription drug, improvement, and modernization act of 2003 (P.L. 108-173), the tax technical corrections act of 2007 (P.L. 110-172) and the heartland, habitat, harvest and horticulture act of 2008 (P.L. 110-246) that are retroactively effective during taxable years beginning from and after December 31, 2002 through December 31, 2003.

~~J.~~ K. For purposes of computing income tax pursuant to this title, for taxable years beginning from and after December 31, 2001 through December 31, 2002, "internal revenue code" means the United States internal revenue code of 1986, as amended, in effect on March 9, 2002, including those provisions that became effective during 2001 with the specific adoption of all federal retroactive effective dates and including those provisions of the working families tax relief act of 2004 (P.L. 108-311), the American jobs creation act of 2004 (P.L. 108-357), the jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27), the military family tax relief act of 2003 (P.L. 108-121), the tax technical corrections act of 2007 (P.L. 110-172) and the heartland, habitat, harvest and horticulture act of 2008 (P.L. 110-246) that are retroactively effective during taxable years beginning from and after December 31, 2001 through December 31, 2002.

~~K.~~ For purposes of computing income tax pursuant to this title, for taxable years beginning from and after December 31, 2000 through December 31, 2001, "internal revenue code" means the United States internal revenue code of 1986, as amended, in effect on January 1, 2001, including those provisions that became effective during 2000 with the specific adoption of all federal retroactive effective dates and including those provisions of the working families tax relief act of 2004 (P.L. 108-311), the American jobs creation act of 2004 (P.L. 108-357), the economic growth and tax relief reconciliation

1 ~~act of 2001 (P.L. 107-16), the job creation and worker assistance act of 2002~~
2 ~~(P.L. 107-147), the military family tax relief act of 2003 (P.L. 108-121) and~~
3 ~~the tax technical corrections act of 2007 (P.L. 110-172) that are~~
4 ~~retroactively effective during taxable years beginning from and after~~
5 ~~December 31, 2000 through December 31, 2001.~~

APPROVED BY THE GOVERNOR MARCH 16, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 16, 2012.

Passed the House February 7, 2012

Passed the Senate March 13, 2012

by the following vote: 56 Ayes,

by the following vote: 29 Ayes,

0 Nays, 3 Not Voting
1 vacant

1 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

14 day of March, 20 12

at 3:50 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 16th day of

March

at 11:45 o'clock A M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 16th day of March, 20 12

at 1:25 o'clock P M.

[Signature]
Secretary of State

H.B. 2120